

REC'D MAY 13 2008

May 8, 2008

Ms. Susan A Gendron
Commissioner of Education
23 State House Station
Augusta, Maine 04333-0023

Commissioner,

On behalf of the Litchfield, Sabattus, Wales, and Oak Hill CSD #15 Reorganization Planning Committee, I want to thank you for the quick response to our letter of April 23, 2008. It appears that we still have open issues of a non-substantive nature that remain to be resolved. We believe that each of the issues were addressed, just in a different format than you are requiring we use, and, as such, we would like to take this opportunity to further explain what was already agreed upon by all members of the RPC, and submitted by all SAUs, but in a different format.

I have attached a revised, but not substantively changed, Consolidation Plan, along with just the new exhibits used to expand on content already in our Plan. To allow for easier review, allow me to address each of the remaining items and how we have revised our Plan to address it. Again, let me say that nothing in the revised Plan that is attached changes any of the original intent, or agreed upon meaning.

Section 2: Has been revised to state that the weighted vote method we are using is in fact Method B. We have accepted the suggested format you provided as the way to present our apportionment. Your figures mirror ours exactly and all that was added are a couple of additional columns. Therefore, this is not a change to our apportionment plan, but rather a different method of representing it.

Section 6: We have added Exhibits 6-A through 6-D in order to present a list of all current debt that extends beyond June 30, 2009 for each of the current SAU's. As already stated in Section 6, none of this debt will be transferring to the new RSU. This addition replaces the current comment that a listing would be provided.

Section 7: Exhibit 7-B is a necessary exhibit and we are unwilling to remove its mention from the Plan. However, we have included an Exhibit 7-B with this revised Plan. As has been stated in our Plan, we currently have no employees who meet this criteria, but the Exhibit is included as a way to list such employees should the need arise prior to June 30, 2009.

Section 12: This has been a troublesome section for us from the very beginning. In fact, it was the issue at many School Board meetings of the four current SAUs in Union 44 well before the filing of our Notice of Intents. We have further explained some of the reasons we believe there may be cost increases.

Currently, staff in each of our individual schools/SAUs coordinate food service, transportation, facilities management, etc. Moving into an RSU will require a much more coordinated effort of these operations across the whole RSU, with the possible increase in one or more new positions to provide the services and combined reporting.

Merging of staff contracts, especially since we have staff represented by different unions (MEA and AFT), will drive contracts in many different possible directions. We are unable to determine the magnitude of these contract renewals/extensions and then the overall increases when they merge. We have a wide range of salaries and benefits under the current system, and we anticipate that the savings we currently see from the lower cost contracts will surely disappear when we have only one contract.

Our consolidation plan is a plan to change the governance of a long-standing collaborative effort in the form of a School Union. We are not combining SAUs that have separate Superintendents and their administrative staffs. There is currently only one Superintendent, one Asst Superintendent (Curriculum), one Director of Special Education, one Business Manager, one Payroll Clerk (5 different payrolls to be prepared – after consolidation and until separate bargaining units are merged in 2012 there will remain 4 payrolls), 1 full time and 2 part time administrative support personnel. Our Central Office operations have operated well below EPS levels in recent years. The net effect of this is that we are not aware of any personnel reductions to be realized in Central Office operations.

This Regional School Unit is an already-consolidated group, without duplication of positions or services that can be eliminated as a result of moving from a Union to an RSU. It is, therefore, impractical to expect this change in governance to provide the same level of savings as can be expected when two or more central offices are combined. We ask that you consider this in your review. We hope our revised language addressing these areas meets with your approval. This section, along with the rest of our Plan, was reviewed by our legal advisors, Drummond and Woodsum, and they raised no objection to this section as presented.

Section 13-B: As stated in your letter, this issue has been resolved with new legislation. However, we did submit on May 1st, via email, a proposed addition to this section in order to allow it to comply with new legislation. A paragraph was added to establish a requirement for the new RSU Board to review the appropriateness of the cost sharing formula from time to time and report on it at the budget meeting in the years in which the review is conducted.

Section 13-C: We have followed the advice received from Susan Beaudoin, of your staff, and inserted the portion of the new law that stipulates how initial board's initial term lengths will be determined. This revision is the last paragraph of Section 13-C.

As none of the above revisions are substantive changes to the Plan as already submitted, we believe the need for submission of a signature page and checklist are unnecessary. As

an RPC, we very much want to take this Plan to our voters on June 10th for their approval or disapproval. We continue to hold public informational meetings each Monday for the next two weeks and have announced that our Plan has not yet been approved, but we are hopeful it will be approved in time to allow us to proceed as planned.

As mentioned above, this consolidation is in part a "reorganization" and in part a consolidation. It will allow for efficiencies of operation, but we will not be able to experience large cost savings by a mere change in governance structure. We request a timely review, and look forward to your approval of our Plan in the very near future in order to allow us to place it before the voters on June 10th.

Sincerely,

Robert E. English
Chair, Litchfield, Sabattus, Wales, and Oak Hill CSD #15 RPC

REORGANIZATION PLAN

SAU Submitting: Please see "Reorganization Plan Submittal Sheet"

Contact Information: Robert E. English, RPC Chair

Date Submitted by SAU: March 14, 2008 Revised May 8, 2008

Proposed RSU Operational Date: July 1, 2009

POLICY OBJECTIVES

It is declared the policy of the State to provide sufficient resources to support the reorganization of school administrative units into regional, state-approved units of school administration to provide:

1. Opportunity. Equitable educational opportunity for all students to demonstrate achievement of the content standards of the State's system of learning results established in section 6209;
2. Programs. Rigorous academic programs that meet the requirements of the system of learning results established in section 6209 and that prepare students for college, careers and citizenship;
3. Delivery. Uniformity in the delivery of academic programs that meet the requirements of the system of learning results established in section 6209;
4. Tax rates. A greater uniformity of tax rates for the support of schools;
5. Sustainability. The efficient use of limited resources in order to achieve long-term sustainability and predictability in the support of public schools;
6. Public funds. Effective use of the public funds expended for the support of public schools by means of:
 - A. The creation of cost-efficient organizational structures; and
 - B. Administrative structures and efficiencies that permit the organized and regular delivery of uniform state-sponsored professional development programs to promote coherence and consistency in the understanding and application of the State's standards-based system for continuous improvement in student achievement;
7. School choice. The preservation of opportunities for choice of schools; and
8. Services. The maximization of opportunities to deliver services that

can more effectively be provided in larger districts than from within smaller units or individual schools.

Regional school units shall provide kindergarten to grade 12 public education, in accordance with Title 20-A, and shall develop and implement policies that address efficiencies in administration, educational programming and the sharing of community resources for the continuous improvement of student achievement and the preparation of students for college, careers and citizenship.

PARAMETERS FOR PLAN DEVELOPMENT

In order for the plan to be approved by the Commissioner, the governing bodies of school administrative units shall work within the following parameters.

1. The proposed regional school unit must serve not fewer than 2,500 students, except where circumstances relating to the following factors justify an exception:

(a) Geography, including physical proximity and the size of the current school administrative unit;

(b) Demographics, including student enrollment trends and the composition and nature of communities in the regional school unit;

(c) Economics, including existing collaborations to be preserved or enhanced and opportunities to deliver commodities and services to be maximized;

(d) Transportation;

(e) Population density; or

(f) Other unique circumstances including the need to preserve existing or developing relationships, meet the needs of students, maximize educational opportunities for students and ensure equitable access to rigorous programs for all students.

When circumstances justify an exception to the size requirement of 2,500 students, the unit must serve as close to 2,500 students as possible and in no case, except for coastal islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

2. The plan must provide comprehensive programming for all students from kindergarten to grade 12 and must include at least one publicly supported secondary school.

3. The plan must be consistent with the **POLICY OBJECTIVES** set forth above.

4. The plan may not displace teachers or students or close any schools existing and operating during the school year immediately preceding reorganization, except as permitted as follows:

20-A MRSA

§ 1511. Supermajority vote to close school in the regional school unit

A school operated within the regional school unit may not be closed unless closure of the school is approved at a regular or special meeting of the regional school unit board by an affirmative vote of 2/3 of the elected membership or voting power of the regional school unit board.

§ 1512. Closing school

1. Vote; cost of election. A school in a member municipality of a regional school unit may not be closed unless the voters in the member municipality vote on the article in accordance with the referendum procedure set forth in this chapter.

"Article: Do you favor authorizing the board of directors of (name of regional school unit) to close
..... (name of school)?"

Yes No

The additional cost of keeping the school open has been estimated by the regional school unit board to be
\$"

The election must be conducted within that member municipality only, pursuant to department rule, and the costs of the election are borne by the regional school unit.

2. Expense of keeping the school open. If the voters vote by a majority vote to keep the school open, the member municipality is liable for some additional expense for actual local operating costs and transportation operating costs as defined in section 15672. The determination of costs is subject to the approval of the commissioner. The cost to be borne by the municipality voting to keep a school open is the amount that would be saved if the school were closed. Any additional costs that must be borne by the member municipality must be part of the article presented to the voters at the meeting to determine whether the school should remain open.

3. Costs and procedures during subsequent years. During any year subsequent to the year during which a school remains open contrary to the regional school unit board's vote to close that school as a result of a municipal referendum, the school will be open without any additional cost to the municipality except as described in paragraphs A and B.

A. If the regional school unit board again votes to close the school and the voters of the member municipality again vote to keep the school open, as described in this subsection, then the school will remain open and the member municipality will be obligated to pay the additional costs as described in subsection 2.

B. If the regional school unit board again votes to close the school and the voters of the member municipality fail to vote to keep the school open, then the school is closed. In this event, the school may be reopened only if the regional school unit board votes to reopen the school.

4. Definition of school closing. For purposes of this section, a school closing is any action by the regional school unit board that has the effect of providing no instruction for any students at that school.

5. Method of payment by liable municipality. If a municipality is liable for additional expenses as determined in subsection 3, paragraph A, then the amount of this additional expense must be subtracted from the regional school unit budget before each member municipality's assessment is computed. This additional expense must be paid by the member municipality that is liable in equal monthly amounts, unless the regional school unit and that member municipality mutually agree to another method of payment.

6. Multiple municipalities. If a school proposed for closure is an elementary school that serves students from more than one municipality, the article set forth in subsection 1 must be submitted to the voters in each of the municipalities that sent all elementary students from that municipality to the school. If the article is approved by a majority of the voters in each of the municipalities, the school is not closed and the municipalities share in the costs under this section in the same proportion as they share the current operating costs of the school.

REQUIRED ELEMENTS OF THE PLAN

1. The units of school administration to be included in the proposed reorganized regional school unit.

Litchfield School Department
Sabattus School Department
Wales School Department
Litchfield, Sabattus, and Wales Community School District

2. The size, composition and apportionment of the governing body. The regional school unit board shall be composed of 9 members. Each municipality in the RSU shall elect the following number of its residents to serve on the Board and their votes shall be weighted as follows:

METHOD "B" WEIGHTED VOTING

MUNICIPALITY	2006 Federal Estimated CENSUS	% POP	TOTAL VOTES (995 to 1005)	# DIR	VOTES PER DIRECTOR	% DEVIATION OF VOTING POWER
Litchfield	3,419	35.8%	358	3	119	11.9%
Sabattus	4,675	49.0%	490	4	122	12.2%
Wales	1,455	15.2%	152	2	76	7.6%
TOTALS	9,549	100.0%	1,000	9		

$$1000 / 9 = \frac{111.11}{1000} = 11.1\% \text{ Average}$$

Plus 2%

This in compliance 12.2% does not exceed the maximum allowable voting power of 13.1%.

13.1% = MAXIMUM VOTING POWER OF ANY ONE DIRECTOR

The total number of member of the Board shall remain at 9 but composition and weight of votes will be reassessed following each subsequent Federal Decennial Census following approval of this Plan.

3. The method of voting of the governing body. Weighted Vote by municipality as laid out in paragraph 2 above.

4. The composition, powers and duties of any local school committees to be created. Not Applicable, no local school boards are proposed as part of the plan.

5. The disposition of real and personal school property. All real and personal

school property in use/owned by any of the current SAUs forming this new RSU as of June 30, 2008 will be transferred to the new RSU effective July 1, 2009.

6. The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of section 1506 regarding the disposition of debt obligations.

- A. Bonds, Notes and Lease Purchase Agreements That the Region Will Assume. None.
- B. Bonds, Notes and Lease Purchase Agreements That the Region Will Not Assume. Exhibits 6-A through 6-D provide a listing of all such debts and Lease Purchase Agreements that will remain as of July 1, 2009.
- C. New Capital Project Debt that Region Will Issue and Assume. None.
- D. New Capital Project Debt that the Region Will Issue But Will Not Assume. None.
- E. Defaulted Debt is Excluded from Being Assumed. Notwithstanding anything in this Plan to the contrary, except where legally required to do so, the region will not assume any bond, note or lease purchase agreement as to which the SAU is in breach or has defaulted.
- F. Other Debt Not Assumed. Except as provided in this section of the Plan, the region will not assume liability for any bonds, notes or lease purchase agreements issued by an SAU prior to the operative date of the region.

7. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations.

- A. School Personnel Contracts. A list of all written individual employment contracts to which each of the existing SAUs is a party is attached as Exhibit 7-A. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date, and their contracts shall be assumed by the RSU on the operational date. This provision does not prevent the existing SAUs from terminating or nonrenewing the contracts of employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

A list of all employees of the existing SAUs who do not have written individual employment contracts is attached as Exhibit 7-B. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date. This provision does not prevent the existing

SAUs from terminating employment of the employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU. At the time of this Plan's writing there were no employees of the existing SAUs who fall into this category. However, should it become known that there are some, or a new employee is hired that fits this category, Exhibit 7-B will be updated.

The duties and assignments of all employees transferred to the RSU shall be determined by the Superintendent of the RSU or his/her designee.

B. School Collective Bargaining Agreements. The following collective bargaining agreements to which the SAUs are a party shall be assumed by the regional school unit board as of the operational date:

SAU	Positions Incl. in Bargaining Unit	Next Termination Date
Litchfield	Teachers, Counselors/Social Worker, Technical Integrationist, Librarian, Nurse	8/31/2010
Litchfield	Bus Drivers, Head Bus Driver, Data Entry, Custodians, Head Custodian, Secretary, Administrative Assistant, Ed Techs I/II/III, Food Service, Food Service Manager	6/30/2009
Sabattus	Teachers, School Counselors, Nurse, Librarian	8/31/2009
Sabattus	Ed Techs I/II/III, OQMHP Techs II/III, Secretary, Administrative Assistant, Bus drivers, Custodians	6/30/2009
Sabattus	Food Service Manager, Workers	8/31/2009
Wales	Secretary, Custodians,	
Wales	Bus drivers, Head Bus Driver	6/30/2010
Wales	Food Service Manager, Worker	6/30/2009
CSD 15	Teachers, Nurse, Media Specialist, School Counselor	8/31/2009
CSD 15	Ed Techs I/II/III, Secretaries, Head Custodian, Custodians, Bus Drivers, Kitchen Personnel	6/30/2008

All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the regional school unit board as of the operational date.

Board to ensure important services are maintained.

8. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes.

A. Existing Financial Obligations. Pursuant to Section XXXX-36(5) the disposition of existing financial obligations is governed by this plan.

Existing financial obligations shall include the following:

- (i) all accounts payable;
- (ii) to the extent not included as accounts payable, any financial obligations which under generally accepted accounting principles would be considered expenses of the SAU for any year prior to the year the RSU becomes operational, whether or not such expenses were budgeted by the SAU in the year the obligations were incurred, including for example summer salaries and benefits; and
- (iii) all other liabilities arising under generally accepted accounting principles that can be reasonably estimated and are probable.

Each SAU shall satisfy its existing financial obligations from all legally available funds. If an SAU has not satisfied all of its existing financial obligations, the SAU shall transfer sufficient funds to the region to satisfy its remaining existing financial obligations, and the regional school unit board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the region sufficient funds to satisfy its existing financial obligations, then to the extent permitted by law, the regional school unit board may satisfy those obligations from balances that the SAU transfers to the region. If the available balances transferred are insufficient to satisfy the SAUs existing financial obligations, or are not legally available for that purpose, the regional school unit board may take any action permitted by law so that all of the municipalities of the region are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the regional school unit board may satisfy the unpaid existing financial obligations of an SAU in the same manner and with the same authority as for unassumed debt under the provisions of 20-A M.R.S.A. § 1506(4).

Additionally, to the extent permitted by law, if in the judgment of the regional school unit board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the regional school unit board also shall be authorized to raise additional amounts for the purpose of making equitable distributions (which may be made in the form of credits against assessed local shares of the region's approved budget) to those region members that would otherwise bear costs attributable to unsatisfied existing financial obligations of an

SAU for which they had no financial responsibility. The intent of the preceding sentence is that financial responsibility for unsatisfied existing financial obligations of an SAU be borne by its members and not by the other members of the region.

B. Remaining Balances. The balance remaining in the SAUs school accounts after the SAU has satisfied existing financial obligations in accordance with this plan shall be paid to the treasurer of the regional school unit, verified by audit and used to reduce that SAUs contribution as provided by Section XXXX-43(4). Unless the Legislature otherwise provides, in the case of a school administrative district, community school district or other regional school district (collectively, "district"), the school board of the district shall specify in writing to the regional school unit board how the region shall allocate transferred remaining balances between district members. Unless the Legislature otherwise provides, if the district board has not specified in writing to the regional school unit board how this allocation shall occur, then the transferred remaining balances shall be credited to the district's members in proportion to their respective shares of that portion of the total local costs of the region allocable to all of the district's members for the operational year.

Transfers of remaining balances may occur within the period specified by Section XXXX-43(4), or, as may be preferable in the case of a district, at any time before the district has closed its accounts and ceased normal operations.

C. Reserve Funds. SAUs shall transfer remaining balances of reserve funds to the regional school unit. Unless otherwise provided by applicable law, a transferred reserve fund shall be used in accordance with its original purpose to benefit a school or schools of the SAU. Transferred reserve funds shall be subject to Title 20-A M.R.S.A. § 1491, except that the transfer of funds in a reserve fund or a change in purpose of the fund may only occur in such manner that the funds continue to benefit the members of the SAU that transferred that reserve fund to the region.

D. Scholarship Funds. SAUs shall transfer remaining balances of scholarship funds to the region. Scholarships shall be limited to the original pool of potential recipients unless otherwise provided by the donor or by applicable law.

E. Trust Funds. SAUs shall transfer trust funds to the region. The regional school union board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.

9. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies.

A. Transition Plan for Budget Development. The regional school unit board shall establish interim rules of procedure and shall elect interim officers who shall serve until officers are elected at a meeting following the operational date of the region.

The regional school unit board shall select a superintendent of schools in accordance with Section 1051 of Title 20-A. During the interim period, the salary, office and other expenses of the superintendent, as well as the cost of the regional school unit board, including insurance, shall be allocated to the school administrative units as provided below.

The regional school unit board shall propose and approve a recommended budget in accordance with 20-A M.R.S.A. § 1482 for the first operational year for submission to the voters of the region. The budget format, approval procedures and assessments for the regional school unit's first operational year budget shall be in accordance with 20-A M.R.S.A. §§ 1482-1489. The regional school unit board shall have all necessary authority for those purposes. This shall be considered the first year of use of the budget validation referendum process for purposes of determining the continued use of the budget validation referendum process every three years pursuant to Section 1486(1).

The regional school unit board shall be authorized to take all other actions and shall have all other authority provided under state law to prepare for the regional school unit to become operational on July 1 of the first operational year; including the authority to open and maintain accounts, to incur expenses not to exceed \$150,000.00 to be allocated among the regional school units' member SAUs in accordance with the cost sharing allocation method identified in paragraph 13-B below; and to file applications for school construction projects and revolving renovation fund loans and other available funding.

B. Transition Plan for Personnel Policies. All personnel policies existing within Union 44 shall continue to apply to the same employment positions after they become part of the regional school unit. After the operational date, the regional school unit board and superintendent will develop and adopt region-wide policies in accordance with applicable law.

10. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan. Public Meetings of the RPC were held on November 7th, 14th, and 26th, 2007. During 2008 the RPC met in open session on January 7th, 14th, and 28th, February 4th, 11th, and 25th, and on March 3rd at which this Plan was adopted. Copies of the minutes of the first three meetings were provided with the initial submission in 2007, copies of the meetings held in 2008 are submitted with this submission. Additionally, consolidation has been on the agenda for every board meeting of all SAUs since February, 2007 and each SAU board held a public meeting in their own town devoted solely to a presentation and public discussion of consolidation and plans for reorganization. All options that were available at the time of the public meetings were discussed and feedback was received. An informational brochure has been developed by the RPC and mailed to postal addresses within the three towns with copies available at schools and town offices. Exhibit C contains supporting documentation of these meetings.

11. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan. This reorganization plan's proposed members all are members of a current 9-12 CSD. This plan must be approved by a majority of voters of the CSD member towns in order to be approved. Should it fail to receive a majority of the votes the process will need to be started over.

12. An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved.

- I. **Administrative:** The administrative structure now in place for the School Union will continue to be required to serve the new regional school unit. The consolidation of the four separate School Administrative Units which now make up Union 44, provides for no consolidation of the current central office with any other current central office. Without the combining of two or more central office staffs, and the elimination of duplicate positions there are no cost savings to be had while providing necessary administrative oversight.

Under our current Union structure each SAU has assigned responsibilities for transportation, food service, and maintenance as a collateral duty to staff within each SAU. Under an RSU, as with most SADs currently, their will need to be a responsible person(s) for the RSU to plan and coordinate transportation, food service, and maintenance. There is a good possibility that the new RSU board may find it needs to create new staff positions to be sure these areas receive the necessary oversight, coordination, and that they comply with all the legal mandates that apply. These costs are not know, nor is it know if the new board will, or will not need to create any new central office staff.

- **Start up costs:** The reorganization will require direct start up costs as

well as unintended additional costs due to the formation of the RSU. Start up costs include, but are not limited to, the following:

1. Legal costs, including deed and property transfers, policies, referenda and elections, collective bargaining, personnel issues. Once contracts are normalized, future legal costs will be reduced.
2. Finance, Audit and Taxation costs, including a combined single audit, reissue of tax exemption certificates, banking and cash management including possible revenue anticipation notes, federal and state reporting for taxes and unemployment, state retirement.
3. Accounting Systems costs, including combining the 5 charts of accounts, software and license transfers.
4. Student information systems costs will need to be updated.
5. Transition costs, including additional administrative costs for start up activities (Board stipends, RSU Superintendent search/hiring, clerical assistance) related to organizing and standing up the new RSU.

Exhibit D provides the identified expected costs for the transition period for which this plan provides for up to \$150,000 to be raised (see paragraph 9 above) to cover these expenses.

- **Unintended additional expenses**

1. Collective bargaining normalization of contracts could increase salary and benefits costs 5% to 15%, or more.
2. The potential need for RSU-wide supervision of facilities, transportation, technology, and food service.
3. Workers compensation experience modifications would be a combination of four separate pools with a potentially greater combined cost.

II. Current Identifiable Cost Savings

- Special Education programs for Day Treatment and Functional Life Skills are currently housed within the School Union. The annual savings presently exceed \$125,000, through a combination of keeping students in district and reducing the need for one-on-one Educational Technician placement with individual students. Additionally, the early intervention in the Functional Life Skills program, while difficult to quantify, results in a significantly reduced future services' burden to the communities and society.
- Combined fuel oil bids resulting in a 10% savings in 2007/08 based upon current pricing. Bids are subject to market timing and may not always result in savings.
- Combined bid for audit services resulting in a 5% savings in the first year.
- Combined bid for insurance (all types of coverage) resulting in an average of 15% savings in 2007/08.

III. Potential Future Cost Savings

- Shared instructional positions that will allow for expanded program opportunities throughout the RSU while eliminating overlapping positions in each SAU.
- Combining service contracts for HVAC, security, and many building services currently secured by each SAU. It should be noted that equipment in each school location might not be compatible for combining service contracts initially.
- Aggregating KWH purchases for the RSU through Maine Power Options or other aggregators. This is always subject to market timing and conditions.
- Common commodity purchases such as copy paper and cleaning supplies, due to increased volume, could reduce costs to individual districts.
- Energy Audits of older facilities and with grants provided by Efficiency Maine. The savings from guaranteed future energy consumption in combination with grants from Efficiency Maine usually result in a 5 year, or less, payback and also are socially responsible in the area of "Green Options".
- Implementation of an RSU-wide safety program to reduce workers compensation costs and rates. This could result in a 5% to 10% reduction in rates in as little as one to two years and would also keep future increases to a minimum.
- Combine technology hardware and software bidding and services within the RSU. Potential reduction of site and user licensing expenses due to expanded user numbers under a single contract.
- Reduction in the cost of phone service in all schools and the Union Office with a change to a common carrier.
- Will allow greater collaboration with neighboring RSUs for instructional and combined purchasing opportunities.

13. Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary.

13-A. Plans to reorganize administration, transportation, building and maintenance and special education.

This paragraph is provided in order to follow the template recommended for use in developing our plan. It is only appropriate for those plans where the effective date of the new RSU is July 1, 2008. As our intention is to form an RSU that will become effective on July 1, 2009 this paragraph does not apply.

13-B. Cost Sharing in Regional School Units

The regional school unit may raise money, in addition to the required local contribution pursuant to Title 20-A, Section 15690, subsection 1 for educational purposes. The additional local costs of operating the regional school unit shall be shared among all the municipalities within the regional school unit on the basis of the following formula:

- a) 50% shall be shared on the basis of the fiscal capacity of each member municipality; and
- b) 50% shall be shared on the basis of the number of resident pupils in each member municipality.

This local cost sharing formula applies only to the amount, if any, of additional local funds and non-state funded debt service raised by the regional school unit. It does not apply to the required local contributions raised by each municipality pursuant to 20-A M.R.S.A. § 15688.

Approval of this reorganization plan by the Commissioner of Education and the voters is subject to the condition that the Maine Legislature enact a Private and Special Law or a general law authorizing or permitting an alternate cost sharing arrangement such as that contained in this reorganization plan prior to the operational date of the proposed regional school unit.

The Regional School Unit's Board of Directors shall from time to time review the appropriateness of the cost sharing formula above and report the result of such review at the Budget Meeting. Reviews, with a report at the Budget Meeting will be required as part of the budget development process for school years 2014-2015 and at least once every 5 years thereafter. Should the above formula be amended then reviews of any new formula will be required at least once every five years with a report made to the citizens during the Budget Meeting. Any amendment to the cost sharing formula, aside from adjustments due to changes in fiscal capacity and resident pupils as established above, shall require the approval of the voters of the towns of Litchfield, Sabattus, and Wales in the same manner as was required to approve this Plan.

13-C. Election of initial board of directors.

Within 30 days of the issuance of a certificate of organization for the regional school unit by the State Board of Education, the members of the school boards of the school administrative units within the regional school unit shall conduct a joint meeting for the purpose of electing an interim secretary of the regional school unit

and determining a date for the election of the initial board of directors of the regional school unit. The interim secretary shall notify the municipal officers of the member municipalities of the regional school unit of the date of the election. The election shall be conducted in accordance with Title 30-A Chapter 121 of the Maine Revised Statutes, as amended by Section 1473(2) of Chapter 103-A of Title 20-A of the Maine Revised Statutes, except that the election duties of the secretary and board of directors of the regional school unit shall be performed by the interim secretary. The duties of the interim secretary shall include:

- 1) notification of the municipal officers of the date of the election;
- 2) furnishing nomination papers at least 10 days before the deadline for filing nomination papers;
- 3) receipt of completed nomination papers in accordance with 20-A M.R.S.A. §1473;
- 4) preparation and distribution of election ballots in accordance with 20-A M.R.S.A. §1473;
- 5) receipt of town clerk's certification of the results of the voting in each member municipality;
- 6) tabulation of the town clerk's certification of the results of the voting in each municipality;
- 7) accepting any recount petitions that may be filed pursuant to 20-A M.R.S.A. §1473; and
- 8) totaling the votes cast for each candidate and notifying the clerks in each municipality, the candidates, and the Commissioner of Education of the final results of the voting and the names and addresses of the persons elected as directors.

In accordance with 20-A M.R.S.A. §1473(1), the clerk of each municipality within the regional school unit shall forward the name(s) and address(es) of the director(s) elected to represent that municipality to the State Board of Education with such other data with regard to their election as the State Board of Education may require. On receipt of the names and addresses of all of the directors, the State Board of Education shall set a time, place and date for the first meeting of the directors and give notice to the directors in writing, sent by registered or certified mail, return receipt requested, to the address provided by the municipalities.

Initial directors elected to the regional school unit board shall meet and draw lots within their own municipality for term lengths where 1/3 of the directors serve one-year terms, 1/3 of the directors serve 2-year terms and 1/3 of the directors serve 3-year terms. If the number of directors is not evenly divisible by 3, the first remaining director serves a 3-year term and the 2nd remaining director serves a 2-year term.

13-D. COMPENSATION OF REGIONAL SCHOOL UNIT DIRECTORS.

Compensation for attendance at a regional school unit board meeting will be \$25.00 per meeting for each director. Whenever the directors recommend increasing their compensation, they shall submit their recommendations to the voters in the regional school unit for approval.

COLLABORATIVE AGREEMENTS

Collaborative agreements are agreements to share the responsibility for and cost of the delivery of certain administrative, instructional and non-instructional functions. "Collaborative agreements" includes, but is not limited to:

- A. Shared purchasing or contract agreements;
- B. Agreements for shared staff or staff training;
- C. Agreements to share technology or technology support;
- D. Agreements to provide special education programs and support services;
- E. Agreements to share accounting, payroll and financial management services;
- F. Agreements to coordinate transportation routing and vehicle maintenance;
- G. Agreements to share food service planning and purchasing; and
- H. Agreements to coordinate energy and facilities management.

A school administrative unit may enter into collaborative agreements with other school administrative units and, whenever possible, with local and county governments and State Government, to achieve efficiencies and reduce costs in the delivery of administrative, instructional and non-instructional functions.

A collaborative agreement between 2 or more previous education units may remain in effect after July 1, 2008. Notwithstanding any other provision of law to

the contrary, collaborative agreements in existence on the effective date of this section may be extended or modified by the parties to the collaborative agreement.

Please describe any collaborative agreements proposed by the RSU.

The Reorganization Planning Committee recommends that the new Regional School Unit Board of Directors, along with their Superintendent of Schools work to identify and achieve cost saving collaborative agreements with other Regional School Units, and governmental units.

DOE USE ONLY: Date Received _____

DOE USE ONLY: Date Reviewed/Approved _____

DOE USE ONLY: Date of Commissioner Response re: Approval _____

DOE USE ONLY: Date Returned to SAU for Revisions _____

DOE USE ONLY: Due Date for Revisions from SAU _____

DOE USE ONLY: Date Revisions Reviewed/Approved _____

DOE USE ONLY: Date of Commissioner Response re: Revised Plan _____

Exhibit 6-A

Debt Summary - Litchfield

State Funds 90.11% in 07/08

State Funded		1996 Series E		Year		Principal		Interest		Total		FY Total		FY		90.11% State Share 07/08		Total	
Source		MMBB		Reason		New		School											
Nov-09		295,465.57		-		-		-		67,239.10		421,991.31		FY10		380,256.37		41,734.94	
May-10		-		-		-		-		59,286.64		405,569.33		FY11		365,458.52		40,110.81	
Nov-10		295,465.57		-		-		-		59,286.64		388,630.29		FY12		350,194.75		38,435.54	
May-11		-		-		-		-		50,817.12		371,691.25		FY13		334,930.99		36,760.26	
Nov-11		295,465.57		-		-		-		50,817.12		354,752.21		FY14		319,667.22		35,084.99	
May-12		-		-		-		-		42,347.60		337,813.17		FY15		304,403.45		33,409.72	
Nov-12		295,465.57		-		-		-		42,347.60		320,874.13		FY16		289,139.68		31,734.45	
May-13		-		-		-		-		33,878.08		303,935.09		FY17		273,875.91		30,059.18	
Nov-13		295,465.57		-		-		-		33,878.08		2,905,256.78							
May-14		-		-		-		-		33,878.08									
Nov-14		295,465.57		-		-		-		25,408.56									
May-15		-		-		-		-		25,408.56									
Nov-15		295,465.57		-		-		-		25,408.56									
May-16		-		-		-		-		16,939.04									
Nov-16		295,465.57		-		-		-		16,939.04									
Total		295,465.57		-		-		-		8,469.52									
										8,469.52									
										303,935.09									
										2,905,256.78									

Exhibit 6-B

Debt Summary - Sabattus State Funded

2004 Series B	Year	Principal	Interest	Total	FY Total	FY
Source	Nov-09	427,400.00	152,494.18	579,894.18		
MMBB	May-10	-	146,083.18	146,083.18	725,977.36	FY10
Reason	Nov-10	427,400.00	146,083.18	573,483.18		
New School	May-11	-	131,124.18	131,124.18	704,607.36	FY11
Renovation	Nov-11	427,400.00	131,124.18	558,524.18		
	May-12	-	122,159.47	122,159.47	680,683.65	FY12
	Nov-12	427,400.00	122,159.47	549,559.47		
	May-13	-	112,760.94	112,760.94	662,320.41	FY13
	Nov-13	427,400.00	112,760.94	540,160.94		
	May-14	106,349.94	106,349.94	106,349.94	646,510.88	FY14
	Nov-14	427,400.00	106,349.94	533,749.94		
	May-15	91,390.94	91,390.94	91,390.94	625,140.88	FY15
	Nov-15	427,400.00	91,390.94	518,790.94		
	May-16	82,396.31	82,396.31	82,396.31	601,187.25	FY16
	Nov-16	427,400.00	82,396.31	509,796.31		
	May-17	73,514.94	73,514.94	73,514.94	583,311.25	FY17
	Nov-17	427,400.00	73,514.94	500,914.94		
	May-18	64,573.73	64,573.73	64,573.73	565,488.67	FY18
	Nov-18	427,400.00	64,573.73	491,973.73		
	May-19	55,910.33	55,910.33	55,910.33	547,884.06	FY19
	Nov-19	427,400.00	55,910.33	483,310.33		
	May-20	47,001.18	47,001.18	47,001.18	530,311.51	FY20
	Nov-20	427,400.00	47,001.18	474,401.18		
	May-21	38,194.60	38,194.60	38,194.60	512,595.78	FY21
	Nov-21	427,400.00	38,194.60	465,594.60		
	May-22	28,969.17	28,969.17	28,969.17	494,563.77	FY22
	Nov-22	427,400.00	28,969.17	456,369.17		
	May-23	19,510.81	19,510.81	19,510.81	475,879.98	FY23
	Nov-23	427,400.00	19,510.81	446,910.81		
	May-24	9,994.75	9,994.75	9,994.75	456,905.56	FY24
	Nov-24	427,400.00	9,994.75	437,394.75	437,394.75	FY25
				9,250,763.12	9,250,763.12	

100% Local Revolving Renovation Fund

2005S	Year	Principal	Interest	Total	FY
Source					
MMBB					
Reason					
Revolving	Nov-09	11,400.00	-	11,400.00	FY10
Renovation					
Fund	Nov-10	11,400.00	-	11,400.00	FY11
			Total	22,800.00	

Exhibit 6-C

Debt Summary - Wales

State Funds 93.64% in 07/08

State Funded

1996 Series B	Year	Principal
Source	Nov-09	143,450.00
MMBB	May-10	-
Reason	Nov-10	143,450.00
Renovation	May-11	-
Addition	Nov-11	143,450.00

Total	Interest
155,788.85	12,338.85
8,393.26	8,393.26
151,843.26	8,393.26
4,196.63	4,196.63
147,646.63	4,196.63
467,868.63	Total

FY Total	FY
164,182.11	FY10
156,039.89	FY11
147,646.63	
467,868.63	

93.64% State Share 07/08	State	Local	Total
	153,740.13	10,441.98	164,182.11
	146,115.75	9,924.14	156,039.89
	138,256.30	9,390.33	147,646.63
	438,112.19	29,756.44	467,868.63

Exhibit 6-D

Debt Summary - Oak Hill

Local Debt 100%		CSD 2003 Series B		Year	Principal	Interest	Total	FY Total	FY
Source MMBB Reason H.S. Addition				Nov-09	70,000.00	5,829.25	75,829.25		
				May-10	-	4,852.40	4,852.40	80,681.65	FY10
				Nov-10	70,000.00	4,852.40	74,852.40		
				May-11	-	3,744.30	3,744.30	78,596.70	FY11
				Nov-11	70,000.00	3,744.30	73,744.30		
				May-12	-	2,548.70	2,548.70	76,293.00	FY12
				Nov-12	70,000.00	2,548.70	72,548.70		
				May-13	-	1,274.35	1,274.35	73,823.05	FY13
				Nov-13	70,000.00	1,274.35	71,274.35	71,274.35	FY14
				Total	350,000.00	30,668.75	380,668.75		

Exhibit 7B

Employee	Employed by	Position	Contract Expiration Date
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None			
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